GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

STARRED QUESTION NO:169
ANSWERED ON:03.08.2000
REVIEW OF TECHNOLOGY UPGRADATION FUND SCHEME
JAYASHREE BANERJEE;R.L. JALAPPA

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government have reviewed the implementation of the Technology Upgradation Fund Scheme for textile and jute industry;

(b) if so, the details thereof;

(c) the number of applications received for loan and amount disbursed against these applications till date, State-wise alongwith the criteria for selection;

(d) whether any request for relaxation in norms has been received by the Government particularly extension of scheme to sick and closed textile mills; and

(e) if so, the reaction of the Government thereto?

Answer

MINISTER FOR TEXTILES (SHRI KASHI RAM RANA

(a) to (e) : A statement is laid on the Table of the House.

STATEMENT IN RESPECT OF PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 169 FOR 3.8.2000

(a) Yes Sir; a 22 member Inter-Ministerial Steering Committee (IMSC) reviews and monitors the Technology Upgradation Fund Scheme (TUFS) on a periodical basis.

(b) The IMSC has held 6 review meetings and main decisions taken, amending the TUFS are as under:
i) Project proposals which were sanctioned prior to 1-4-1999; but where loans were not disbursed can be considered as fresh cases, if otherwise they are eligible under the TUFS.
ii) Project proposals which were sanctioned prior to 1-4-1999 and loan disbursed partly can be considered as fresh cases, if otherwise they are eligible under the TUFS, and re-submission of these proposals afresh now would be at the discretion of the financial institutions concerned.
iii) In respect of Captive Power Generation, ceiling on investment has been relaxed.
iv) Semi-Automatic looms with approved quality parameters are now allowed for decentralised powerloom sector.
v) The energy saving devices, effluent treatment plants and water treatment plants can be installed without any ceiling on investment.
vi) Modernisation of cotton ring spinning mills is permissible subject to creation of matching downstream value addition capacity.
vii) The maximum expired life (vintage) of second hand machinery as included in the scheme (except auto coner) has been enhanced from 5 years to 10 years.
viii) Air jet looms of 165 cms. Width (capable of manufacturing 60 inch width Grey fabrics) and similar width in case of Water Jet looms and also automatic shuttle looms are eligible.
ix) Certain machinery falling under NIE Quota System for garment exporters have been approved under the scheme.
x) Installation of compact spinning machine with value addition processes equivalent to 50% of production capacity are covered under scheme.

(c) From 1.4.99 to June 30, 2000, a total of 612 applications with a total project cost of Rs. 8469 crore were received. Out of them, 424 applications with the total loan amount of Rs.3084 crore have been sanctioned and Rs.1003 crore has been disbursed against 247 applications. Any viable textile/jute unit meeting the technology norms of the scheme and financial parameters of the financial institution concerned is eligible under the Scheme. State-wise details are given in the statement at Annexure-I.

(d & e) Representations have been received for relaxation in the financial norms of the scheme. Representations have also been received from the sick and closed textile mills for covering them under the Scheme. Sick and closed textile mills are not eligible under the scheme. However, IDBI and SIDBI have relaxed certain financial norms to the eligible units only.

Anexure-I

Progress of TUFS (State wise) as on 30-06-2000 (Provisional)

(Rs. in crore)

Sr. No.	State / U.T.	No. of applications received	Sanctioned		Disbursed	
			No. of applications	Amount	No. of applications	Amount
1	Andhra Pradesh	16	10	77.90	8	44.60
2	Dadra Nagar Haveli	6	4	267.50	4	29.94
3	Delhi	4	2	1.22	1	0.76
4	Gujarat	82	63	319.89	37	191.88
5	Haryana	33	24	33.86	5	2.44
6	Himachal Pradesh	4	3	128.50	3	103.00
7	Jammu & Kashmir	1	1	13.63	0	0.00
8	Karnataka	27	22	96.68	14	19.29
9	Kerala	5	4	44.40	2	11.00
10	Maharashtra	29	15	266.53	8	69.98
11	Madhya Pradesh	7	7	90.72	3	41.75
12	Punjab	57	37	525.59	21	159.10
13	Rajasthan	134	70	287.53	40	68.02
14	Tamilnadu	135	110	557.37	64	142.95
15	Uttar Pradesh	15	12	231.01	9	40.56
16	West Bengal	11	8	19.91	2	7.41